THE TARIFF.

1195

SPEECH.

OF

HON. ALFRED M. SCALES,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES, FEBRUARY 10, 1859.

The House being in the Committee of the Whole on the state of the Union—

Mr. SCALES said:

Mr. CHAIRMAN: The recent revulsion in the commercial world, attended as it has been with diminution of our trade, the depression of business, and the falling off in the revenues, added to the increased expenditures of a great and rapidly-expanding country, have become so many pretexts for again raising the old clamor for high protective tariffs and specific duties. The friends of this system have depicted in the most gloomy and dismal colors the present condition of the country. They point us to the exhausted state of the Treasury; the insufficiency of the revenues to meet the demands of the Government; the increase of the public debt; the bankruptcy of merchants, the suspension of the manufactories; the sad and destitute condition of thousands of operatives, without means, without work, and without bread; in fine, to the death-like torpor which has settled upon every class of business; and with an air of triumph proclaim—these are the fruits of *ad valorem* duties and a tariff for revenue.

Nor do they stop here; but, hurried on by a blind zeal in behalf of the manufacturer, they boldly avow that the protection of this interest is and should be the paramount object with the Government, and that in this protection, afforded by high duties, will also be found a remedy for all the other evils which have befallen us. Forgetful of the great objects of the Government, the powers delegated to it under the Constitution, and its duty alike to all the different and diversified interests of the country, they scruple not to declare that it is the high duty of Congress to build up and sustain the manufacturers, and to this end to impose burdens grievous to be borne upon all other occupations and pursuits. I will not now, sir, undertake an investigation of the variety of causes, which combined have given rise to the recent revulsion and all its attendant consequences. Others better qualified for the task, have preceded me in this work. The President, in his annual message, and the Secretary of the Treasury, in his annual reports, both for 1857 and 1858, have ably reviewed this whole subject, from which it will be seen that whatever other causes may be assigned, it certainly cannot be found either in the tariff of 1846, or that of 1857. The Secretary has gone more into detail in this matter, and as it is sufficient for my purpose to show that there is no connection between the present tariff and the revulsion, I will content myself by giving a few extracts from the report on this particular head, which demonstrate beyond controversy the truth of my position. I quote from his last report, on page 6:

"The revulsion was not confined to the United States, or even to this continent. It swept over the world, and was felt with equal, perhaps greater, severity in other countries than our own. These results have beeen too universal to have been brought about by a reduction of about twenty per cent. upon the rates of duty in the United States; being a reduction of about five per cent. upon our importations." * * * * "The foreign producer and manufacturer have not been benefited by the reduction. At all events they have not been preserved from the general calamity which has come upon the producers and manufacturers of similar articles in our own country.

"The importations for the fiscal year ending June 30, 1858, the first and only year of the present tariff, amount to $282,613,150, being $78,274,991 less than the importations of the last year of the tariff of 1846."

But again, sir, he shows that the operations of the iron interest during the same period; and by reference to his table, it will be seen that the importations of iron and steel, of all kinds, for the year ending 30th June, 1857, amounted to $25,954,111. In the year ending 30th June, 1858, it amounted to $14,328,039, being a reduction of $9,626,072. This reduction is accounted for in part by the reduced price of the last year. But then there is shown by the same table a large reduction in the amount of imported iron and all manufactures of iron.

Again, sir, after appending a list of leading articles in which there had been a decline of price, the Secretary says:

"It occurred indifferently in articles imported in the most trivial quantities and in the most largely imported; in articles, the duty on which was unchanged and in those on which it was diminished."

Now, sir, the friends of protection allege that

the low duties of the tariff of 1857 increase our importations, bring the foreign in competition with the domestic article, diminish its value, and thus militate against the interest of our home manufactures. This is their argument. If, then, as shown conclusively from these facts and figures, it be true that our importations have greatly fallen off; if this is so, even in the importation of iron; if there has been a decline in price of articles, indifferently, whether imported in large or small quantities; and lastly, if this financial distress has swept over all nations; surely all will admit, that the tariff is in no way responsible, and that the cause of the revulsion must be sought somewhere else.

But, sir, it has been asserted here, and the gentleman from Pennsylvania, the other day, made a vain attempt to prove it, that the high protective system has gone hand in hand with the increase, expansion, and general wealth of the country, and that its history is the history of her highest prosperity. Vain, indeed, must the attempt prove to make this assertion good. It is in direct antagonism with all reasoning on the subject, as well as with the truth of history. It conflicts with the plain principles of political economy, as well as the practice of nations. Let us refer to this history. It is no small or insignificant part of the history of the country. Being within itself a question of the highest moment, it has given rise to high debate, to fierce and bitter political contest; and we shall, no doubt, learn some useful lessons as to the operation of the different schemes which, from time to time, have been adopted for raising revenue, their effects upon trade and business, and the manner of their approval or repudiation by the American people.

The first tariff bill was passed in 1789. It will be remembered that we had just passed through the glorious yet long and bloody war of our independence; that a heavy debt had accumulated upon our hands; that our resources had been crippled; our credit exhausted; and our manufactures just in their infancy. Here, then, were circumstances, if ever they can occur, which called loudly for protection as the boasted panacea of all financial ills, and the only hope of the manufactures. Yet, sir, by that act the wise men of that day, animated by an equal and sincere regard for every portion of the country, refused to build up one interest at the expense of another; and hence, laid a tariff solely for the purpose of raising a revenue. They saw that the prosperity of the country depended upon increasing our trade and building up our commerce, and to this end they endeavored, so far as was practicable, to cut off all restraints and checks upon it, and well did the result prove the wisdom of their policy. The highest rate of *ad valorem* duty imposed by this tariff was only fifteen per cent., and that only on one article. With this exception, the average rate *ad valorem* did not exceed ten per centum.

By a reference to the debates on this tariff act, it will be seen that the leading and primary object of the statesmen of that day was revenue, and not protection for protection sake. Northern and southern men alike declared, that such duties, and no more, should be levied, as would raise a sufficiency of revenue; and that these duties ought to be so levied as to bear as nearly equal as was practicable upon all classes, and to effect them in proportion to their amount of property. It is refreshing to compare the sentiments thus expressed by men whose patriotism was broad enough to take in the entire Union and all of its interests, with the views and opinions of latter-day statesmen, whose political vision is hemmed in by the boundaries of their own State, and whose patriotism seems to be confined to the same narrow limits. This tariff continued in existence for many successive years, with a few slight modifications; and I believe it was not until near the close of Mr. Madison's administration that any *ad valorem* duty higher than twenty per cent. was levied. In the year 1816, we may be said to have inaugurated, for the first time, the policy of protection for protection sake; and here let me call the special attention of those gentlemen who look upon protection as as sort of *sine qua non* in government, to the sad condition of the country during the operation of that tariff. Nor can I better do this than by quoting the language of Mr. Clay, in his great speech for protection in the year 1833. After stating the prosperity of the country up to that time, which I will do him the justice to say he did not attribute to the low rates of duty, he proceeds to describe the condition of the country during the eight years of the tariff of 1816, and concludes as follows:

"In short, sir, if I were to select any term of seven years since the adoption of the present Constitution, which exhibited a scene of the most wide-spread dismay and desolation, it would be exactly the term of seven years which immediately preceded the establishment of the tariff of 1824."

Having once ingrafted the protective system upon our financial policy, it was strengthened and extended by the act of 1824, and then again by the act of 1828, when it reached the climax of its insolent, unequal, and oppressive demands. Never had there emanated from Congress a measure so fraught with mischief, so unequal and unjust. It was justly styled the bill of abominations. The people felt its burdens. The agricultural interest groaned especially under its oppression; and out of this tariff act grew a fierce and bitter struggle, which is without a parallel in our political history, and which I am sure no patriot would like to see revived.

For a time the storm raged with a bitterness and fury which acknowledged no barrier or check, and defied all consequences. A sovereign State was driven to the very borders of desperation. The Union was rocked to its center, and well nigh did we approach that dark and dismal abyss of dissolution, anarchy, and civil war, which threatened to involve, in one common ruin, the Union, the States, and with them the cause of civil and religious liberty.

Fortunately for mankind, the good genius which presides over the destinies of this country ruled the storm, calmed the troubled waters, and "bade the raging tumult cease." Wise counsels prevailed, and a compromise was effected. This was entered into in 1833. By that compromise, it was agreed that protection should continue for eight years, subject, however, to an annual graduated reduction, until the expiration of the time, after which, as it was alleged, the manufacturers having succeeded in placing themselves on a permanent footing, could very well afford to *be generous*, and give in their adhesion to a tariff upon strictly

revenue principles. Such was the memorable contest, and such was the sacred compact which drove back the tide of disunion and again shed the sunlight of peace and amity over our glorious and blood-bought Union—a Union which can defy the Powers of earth, and which no unhallowed hand dare ever profane so long as, true to itself, to its constitutional powers, and the protection of all alike, it does but aim at and accomplish the great objects of its foundation.

Will any one say, dare any one assert, that in all this there were no wrongs, no burdens, no grievances? Shall I be told that your manufactures flourished, that the revenues increased, and be asked to take this as an evidence of the prosperity of the country during the operation of these high tariff acts? I answer, as the South and West might have answered: "Your manufactures have flourished, but at our expense; your revenues for a time increased, but we paid the tax. It is true, a beneficent Providence smiled upon our labors and crowned them with abundant fruits; yet our cotton, our breadstuffs, our tobacco, and other products, were made subservient to the purposes of the manufacturers. Our money was absorbed in the enhanced price of the protected yet necessary article. It was your profit; but not unfrequently drawn from our necessities. We were neglected—ay, more, oppressed by Government. You were pampered and fed by its bounty. Your cities increased in population, wealth, and commerce, and ours, like conquered provinces, were made tributary to your greatness." In this compromise, it will be observed that there were mutual concessions.

The friends of protection secured, for the present, their policy, upon condition that, at the expiration of eight years, it should be abandoned. This, sir, with them, was a dying struggle. The then recent elections showed that their days were numbered. The people had spoken; and their voice was not to be disregarded. Hence, they sought not to save, but protract its existence. Mr. Clay, the great father and champion of protection, saw its extremity, and, with a paternal anxiety, had pressed the compromise, as the only means of prolonging life. He says:

"How can this system be maintained against numbers, against the whole weight of the Administration, against the united South, and against the increased impending dangers of civil war?"

Hear him again at the same time, when he more fully expresses his purpose and the objects of the compromise:

"Now, give us time; cease all fluctuations and agitations for nine years, and the manufacturers will sustain themselves against all foreign competition. I am anxious to find out some principle of mutual accommodation, to satisfy, as far as practicable, both parties; to increase the stability of legislation, and, at some future day, but not too distant, when we take into view the magnitude of the interests involved, to bring down the rate of duties to the revenue standard, for which our opponents have so long contended."

How, sir, was this compromise kept? Most faithfully, on the part of those opposed to protection, for eight long years; but when the time expired, and they were to reap the fruits of their contract, thus faithfully performed on their part, the protectionists (and some of them the very men who, eight years before, had pledged themselves to the compromise) repudiated their part of it. The manufacturers of the North, wielding, from their position of wealth and power, an influence which always secured for them a large party in the country, disregarding this sacred compact, determined not to give up this source of their wealth and affluence without still another struggle; and hence, in 1842, the earliest opportunity that presented itself after the expiration of the eight years, another tariff act was passed, which, though not quite so odious, was, nevertheless, unequal and oppressive. This was, however, destined to but a short reign. The people again spoke, and that, too, upon this very question, it having been made one of the principal issues in the canvass of 1844. The protective policy was again repudiated; and in 1846 a tariff for revenue, and exclusively upon the *ad valorem* principle, was passed. The old Whig party, that had clung so long and with such tenacity to this protective system, had grown weaker, and more and more divided in every contest, had at last yielded to its inevitable destiny, which followed a few years afterwards, and ended in its entire dissolution.

From 1846 to 1857, that tariff remained, with no variation in principle. And yet, sir, at no time in the history of the country, did all classes of its citizens enjoy a higher degree of prosperity than during that period. For several years of the time we were engaged in an expensive foreign war; appropriated millions of dollars in the acquisition of territory and in negotiating peace. Yet, sir, the prosperity of the country, from Maine to Louisiana, was almost without example. Our commerce was extended; our manufacturers were not only sustained, but even increased in number and wealth. All the demands of the public Treasury were met; and, for the last four years of the operation of that tariff, we not only succeeded in paying upwards of fifty-seven million dollars of the public debt, but left, at the end of Mr. Pierce's administration, a surplus in the Treasury of $19,901,325 45. I have thus, sir, given a brief history of the tariff since the foundation of the Government. I challenge a further comparison as to the merits of the two systems.

Let us take the operation of the tariff of 1842, and the first four years of the tariff of 1846. I have selected this as furnishing the best and fairest test, inasmuch as, coming the one immediately after the other, little or no allowance need be made for the expansion and growth of the country; and even if such allowance should be made, it will be more than counterbalanced by the Mexican war, begun and carried on during Mr. Polk's administration, and the effect of which was to reduce production and to check our commerce and the extension of trade. For the year ending the 30th June, 1843, the domestic exports amounted to $77,793,783; for 1847, the first year of the tariff of 1846, they amounted to $150,637,464; for 1844, second year of the tariff of 1842, they amounted to $99,715,179; for the year 1848, second of 1846, $132,904,121; for 1845, to $99,299,776; for 1849, $132,666,955; for the year 1846, to $102,141,893; and for 1850, $136,946,912.

Thus, while it will be seen that there was a very large increase for every year of the tariff of 1846 over that of 1842, it will be also seen that between the last year of the tariff of 1842 and the first of the tariff of 1846, which was the year following, the difference in favor of the latter was the large sum in a single year of upwards of forty-eight million dollars The importations

during the same time were in a corresponding ratio, with a balance of trade in our favor. Then if we take 1856, the last year of the tariff of 1846, we find that our exports had reached the enormous sum of $310,586,330; our imports, $314,639,942; of this amount there was reëxported and not consumed $16,378,578, leaving a balance of trade in our favor of over $12,000,000. Again, sir, the receipts from customs for the same years:

Receipts from Customs.

		Tariff of 1842.
To June 30,	1843	$7,046,843 91
"	1844	26,183,570 94
"	1845	27,528,112 70
"	1846	26,712,667 87
		Tariff of 1846.
To June 30,	1847	$23,747,864 66
"	1848	31,757,070 96
"	1849	28,346,738 82
"	1850	39,668,686 42

And then again, in 1856, the last year of the tariff of 1846, the receipts from customs were $64,022,863 50; and all this increase under the tariff of 1846.

Now, sir, for the manufactures. The domestic manufactures of cotton exported in the following years were as follows:

1843	$3,223,550	1847	$4,082,523
1844	2,898,780	1848	5,718,205
1845	4,327,928	1849	4,933,129
1846	3,545,481	1850	4,734,424

Showing that the manufacturers of cotton have not only been sustained, but have actually exported a large amount of their products, which they have asked to have protected here, bringing them in competition with similar fabrics of other nations, without protection, and that these exports have largely increased during the tariff of 1846 over what they were during the tariff of 1842, when they had high protection.

Let us again try it as to iron, which is now the principal article clamoring for protection:

Exports of domestic iron.

1843	$532,693	1847	$1,167,484
1844	716,332	1848	1,259,632
1845	845,017	1849	1,096,172
1846	1,151,782	1850	1,911,320

Again, sir, the total manufactures of pig iron, iron castings, and wrought iron, and manufactures of wrought iron, were, in the year 1840, $29,909,162; in 1850, $60,485,653, an increase of over $30,000,000 in ten years; and in the year 1855, $78,406,538, an increase of nearly $18,000,000 in five years. And yet, sir, we are to be told that, without the bounty and protection of the Government, the iron interest cannot survive.

Having learned thus much with regard to the past, let us still further consider some of the objections, which, to me, sir, are insuperable against the propriety of again resorting to protection for the sake of protection. As I have already intimated, this system demands of the Government a bounty or premium for the support of the protected classes, which, as I humbly conceive, is in direct violation of the spirit of the Constitution, and totally at war with the great objects for which the Federal Union was established. If we can levy an indirect tax for any such purpose, without regard to the revenues which may be necessary to support the Government, why, then, may we not take the revenues thus collected, and distribute them among all classes of our citizens in specific sums, and for any specified object; and if we can do this, why may we not go a step further, and lay direct taxes upon the people, in order that we may have the privilege of scattering it promiscuously among them, or of paying over to such as we may deem most meritorious.

Now, sir, I take it that no man can be found who will dare assert that Congress has the power to use the revenues, whether collected by direct taxation or by imposts, for any such purpose. Where, then, is the distinction? In what does it consist? It is true that the bounty, or premium, secured to the manufacturers does not go into the Treasury; but it is, nevertheless, paid, and must operate as a tax upon the consumer. To afford this protection, the importations of foreign goods are prohibited, except at a duty that will so enhance the price of the foreign article as not only to enable the home manufacture to compete with it, but to realize therefrom large profits. The consumer, who might have obtained the foreign article, with low duties, at a greatly reduced price, is thus forced to purchase it at the price enhanced by the higher duties; and thus actually to pay into the pockets of the manufacturer a tax, ay, sir, a tax, which could be rightfully and constitutionally levied for no purpose, save the expenses of the Government, economically administered.

To illustrate this, we will suppose a cargo of cotton goods brought from a foreign port, which the importer without any duty could afford to sell at twenty cents per yard; a duty of five cents per yard is levied and collected; this, of course, will increase the price of the goods to twenty-five cents per yard, the manufacturer of the home article being thus enabled to demand and receive for his goods the same price, and having no duty to pay, of course, in addition to the profits that the article at twenty cents per yard would have afforded, puts into his pockets also the five cents duty which the importer has to pay to the Government. In order to show to what extent this system may be carried, I will here read an extract from the report of the Secretary of the Treasury, under Mr. Polk, which I may add, is but another evidence of the gross injustice and intolerable burdens of the tariff of 1842.

"At least two thirds of the present tariff (of 1842) are paid not into the Treasury, but to the protected classes. The revenue from imports last year exceeded $27,000,000. This, in itself, is a heavy burden; but the whole tax imposed upon the people by the present tariff is not less that $81,000,000, of which $27,000,000 are paid into the Treasury upon the imports, and $54,000,000 to the protected classes in enhanced prices of similar domestic articles."

Then, sir, it is not only a tax, but a heavy tax, that the consumer is forced to pay, not into the Treasury for the support of the Government, but into the pockets of manufacturers. It is imposed and regulated by law just as a direct tax would be; it is collected just as the revenue now in the Treasury has been; and the only difference between them, is that one is paid to the protected class, the other to the Government. And then the question arises, if the one is so paid, why may not the other be used in the same way, or for any other purpose? I confess my inability, sir, to draw the distinction. But it may be said that these same arguments would apply to any duty for all, to some extent, protect. I answer, that one is for the purpose of revenue and therefore legitimate; the other for protection, without re-

gard to revenue, and therefore unconstitutional; and if in any event, by the impost system, a tax is paid by the consumer to the manufacturer, surely a just Government will not increase the burden beyond what is absolutely required for Government purposes.

Now, sir, who are the principal contributors to such gigantic annuities, extorted by legislative force, and paid to the northern manufacturers? We of the South and West, and the agricultural interest of the North. Agriculture is emphatically the great business of our people; it is the prime source of our wealth and power as a nation. Our cotton is the great motive power of trade; it is the king of commerce and manufactures; it is the currency of nations, always in demand, always redeemable in silver, gold, or what you will. We ask for it and our other products no protection; we but ask to be let alone. Yet, sir, this great interest of the people is to be fettered and burdened to build up a much smaller one, and which is principally confined to one section; thus repudiating the principle of the greatest good to the greatest number, or that still more important principle of equal and exact justice to all. Is this, sir, right? is it just? Will not such a policy, in the future as in the past, meet with the indignant rebuke of the American people, involving the party that dares advocate it in irretrievable dissolution and ruin.

But, sir, it is contended by some of the more zealous of the protectionists, with more zeal than discretion, that the duty does not enhance the price of the article. Need this be answered? Is it not absurd upon its face? May it not be said, in full answer to such an assertion, that if this be so, then there can be no protection, and, as a consequence, the manufacturer can derive no benefit from it? Why, then, this continual clamor for high duties, and why these cries of distress? If it does not enhance your price, certainly there can be no relief. But, sir, I will let the great advocates of protection speak for themselves. Mr. Clay, in 1833, said:

"In general, it may be taken as a rule that the duty upon an article forms a portion of its price."

Mr. Adams, as chairman of the Committee on Manufactures, in 1832, made a report, from which the following extracts are taken:

"The doctrine that duties of impost cheapen the price of the articles upon which they are levied, seems to conflict with the first dictates of common sense. It is certainly contrary to the natural course of things that an addition to the cost should be a reduction of the price of an article."

Again, sir, in the same report, he says:

"But the duty upon the article imported from abroad enabled the domestic producer to enter into competition with the importer from abroad. So long as this competition continues, the duty operates as a bounty or premium to the domestic manufacturer. The duty constitutes a part of the price of the whole mass of the article in the market. By whom is it paid? Certainly by the purchaser of the article, whether of foreign or domestic manufacture. Upon one it is a bounty, upon the other a burden; and a repeal of the tax must operate as an equivalent reduction of the price of the article, whether foreign or domestic."

In 1824, Mr. Webster said:

"To begin with iron. The amount of our own manufactures is, I think, seventeen thousand tons. The present duty on the imported article is fifteen dollars per ton; and as this duty causes, of course, an equivalent augmentation in the price of the home manufacture, the whole increase of price is equal to $750,000 annually, which the consumer has to pay, over and above what he could supply himself at without the tax; and this to support a business that cannot support itself."

I have not given Mr. Webster's exact language, but the substance of it, and nearly his own words. So much for the effect of the duty upon the price of the article.

But it is again argued by others that, admitting that the price of the domestic article is enhanced by the duty, the history of protective tariffs shows there has been a corresponding increase in the price of cotton and other agricultural products. Not stopping to show the unreasonableness of this proposition, I will content myself by producing facts and figures, which are more potent to convince than argument. I quote from De Bow's Review, December, 1858. For the five years preceding the tariff of 1828, the average price of cotton was fourteen cents; for the five years of its existence, the average price was nine and nine tenths; for the five years after its repeal, the average price was fourteen and three tenths: and so, for the five years preceding the tariff of 1842, the average price of cotton was eleven and six tenths; for the five years during its existence, seven and two tenths; and for the five years after its repeal, nine and one tenth: thus showing, that as the tariff was increased, the price of cotton went down. Nor can this be said to be owing to the amount of the crop; for, by the same statement, the author shows that in 1827 the crop was 294,000,000 pounds, price ten cents. In the year 1831, when the tariff was in force, the crop was 276,000,000 pounds, the price nine and one tenth; showing a decrease in the crop of 18,000,000 pounds, and a falling off in the price of one cent per pound. And the same result appears by a still further comparison during the existence of the tariff of 1828 and that of 1842. And so it might be shown, I doubt not, with regard to other agricultural products. And, even if this were not so, yet it is certain that by a high protective tariff the South has to pay out of the price of her cotton, for articles of necessity, an amount equal to the duty levied over and above the sum at which she could otherwise supply her necessities.

But, sir, I would not prostrate our manufactures. I rejoice in their success and their prosperity. I would afford them that incidental protection, and that only, which a tariff raised strictly for revenue would give them; and this, together with the costs and charges of transportation of the foreign article, should enable them to compete with the nations of the world. And if it does not, it is an evidence that they are not adapted to our soil, and that, in a commercial computation, they cost more than they come to. The nation cannot afford to pay so much for the glorious privilege of being thus independent. But I say to the manufacturers, you can do it. You have done it in the past; you can do in the future. The facts and figures I have already presented show that you have grown in wealth and numbers until, scorning the protection which a duty would give you in the home market, you have launched your bark upon the broad ocean of trade, exported your fabrics and your iron to the markets of the world, bringing them into contest with similar articles, and defying all competition. This you have done with protection, and still more extensively without it, having the proud consciousness that no unjust extortions contributed to your success, and that you were

dependent for it alone upon your superior skill, native energy, and industry.

These are resources that will never fail you; they are the gifts of Heaven, and no legislative act should, or will, fetter or cramp them. You are thus rendered permanent and secure; not tossed to and fro by the ever-changing winds of legislation, granting you protection to-day, and to-morrow leaving you to your own resources. All sections and classes will be thus placed on an equal footing; our Government made to accomplish its chief end, affording protection to all, special favors to none. Energy and capital are left free to employ themselves in the most profitable channels of trade, which they are as sure to find as water does its level, and the needle the pole. In this consists our true wealth; in this our independence; for though it may sometimes happen that we can for the want of adaptation in soil, on account of climate, price of labor, or any other cause, purchase an article cheaper than we can make or raise it, and to this extent must and should depend upon other nations, yet, sir, from the fertility of our soil, the variety of our climate, embracing nearly all the degrees of heat and cold; in short, with all our untold mineral, agricultural, and manufacturing wealth, and the skill and energy of our people left unfettered and free to develop them, we may not only hope, if united, to preserve all the essential elements of our own independence, but become the chief dependence of other nations; not only to reach a point in prosperity, power, and true greatness, beyond the highest conception of any living statesman, but in carrying out our great mission we can and will receive the down trodden subject of tyranny to our shores, and with our breadstuffs feed the hungry, and with our cotton clothe the naked of the world.

Again, sir, it is urged that we should not only increase the present tariff, but that we should return to specific duties. It is said that it is the only mode by which we can prevent frauds upon the revenues. Now, sir, if this were true, still it would be entitled to but little weight, unless it could be clearly shown that the advantages thus derived were of more importance, and therefore to be more regarded, than the wrongs and injustice inflicted upon the tax-payer by a system of specific duties.

A specific duty, as I understand it, is one that is levied upon a given class of articles, without regard to valuation. For example: we will suppose a quantity of broadcloths imported into the United States which were of different values, and ranging, according to quality, from one to ten dollars per yard: a duty of one dollar per yard is levied upon the whole; so that the cloth at ten dollars would have to pay as much as, and no more than, the article at ten dollars per yard.

From this it will be seen that were we, in raising revenues, to confine ourselves to specific duties, it would operate very unequally and unjustly upon the consumer. The poor man who, for want of means, was forced to content himself with cloth at one dollar per yard, would pay a tax to the Government of one hundred per cent.; while he who had the ability to purchase the highest-priced article, would pay a duty of only ten per cent. It is universally conceded, that in laying a direct tax upon the people, it should be laid in proportion to the value of property; and no man would dare assert before the people, that the man who owned a small tract of land worth $500, should pay as much tax upon it as he who had one worth $5,000,000. He would not do it because, in the first place, it would be wholly impracticable, as the tax might reach a point so as to render the poor man utterly unable to pay it; and in the next place he would not do it, because it would be obviously unjust and oppressive.

Now, sir, in laying imports, which are but a substitute for direct taxes, and which are, and must be, paid by the consumer, I suppose it will not be denied, they ought to be so levied as to approximate, as nearly as possible, this universally admitted principle in direct taxation. If, then, this be so, it is in direct violation of this principle to levy a specific upon articles without regard to quality or value; to require him who is only able to purchase an article of small value, to pay the same tax to the Government, as he who, with more means, was able and thought proper to buy an article of the highest price and best quality; in short, to require the man who has a tract of land worth only $500, to pay just as much as his more wealthy neighbor, with a tract worth $5,000.

To avoid this, and to apply the principle as just laid down, of taxation in proportion to property, the Democratic party has inaugurated the present policy of an *ad valorem* tariff, which levies the tax in proportion to the value of the article; so that the lower the goods the lower will be the tax.

But there are others who advocate specific duties to a limited extent; they would confine them to such articles as are usually sold by measure or weight, and which are equal, or nearly equal, in value; and they urge this, as has been already said, as the best mode of securing the revenues against fraudulent and false invoices. It is difficult to conceive of a given class of articles which are all of the same quality, and therefore equal in value; and even if it were so, the argument upon which this change is based, as to false invoices, would equally apply to all other classes of articles; and, though confined now, would prove but the entering wedge for an exclusive system of specific duties. But, sir, it is not true that specific duties are the only security against fraudulent and false invoices. It is too late in the day to assert this; the Secretary of the Treasury shows that the restrictions thrown around the collection of the revenues, under the present system, are ample protection against frauds; and if they have occurred the *ad valorem* system is not responsible. Besides, sir, the working of the present tariff, for upwards of ten years, should be, and is, a sufficient answer to this argument.

The next question that claims our attention is the present tariff. It is urged by many who are opposed to both protection and specific duties, that there exists a present necessity for its revisal and increase. The Secretary of the Treasury, in his report to Congress, estimates that the total deficit in the Treasury for the fiscal year ending the 30th of June, 1860, will amount to $7,914,576. This sum, as the Secretary very properly remarks, should be provided for in some way, either by an increase of the tariff, or by cutting down the expenditures. Here the alternative is presented; and

the question as to which course we shall adopt, becomes of serious moment to our constituents, and demands at our hands the most serious and earnest consideration. It is a question of raising the taxes upon the people, of increasing their burdens; and while under all circumstances it would be one of deep interest, yet at a time like this, when the country is just recovering from the effects of the late disastrous revulsion, it becomes one of special interest and importance.

Is there, then, a necessity for this increase? Has the present tariff been fairly tested? Can any one say that it may not yet meet all the requirements of the Government? It has been in operation only since the 1st of July, 1857, and during this time has had to encounter all the sad effects of the revulsion. Business of all kinds has been greatly depressed; our trade has been crippled; our importations have fallen off; and, as a matter of course, our receipts from customs have diminished. Under circumstances like these, any tariff would have failed, and a high tariff more likely than a low one. Then, sir, this tariff has not been fairly tested. The Secretary admits this. The people will ask, and well may it be asked, why should we seek to impose other burdens before the necessity really occurs? The revulsion is now fast passing away. Trade everywhere is reviving; a new life and energy seems to be infusing itself into all classes of business. Our importations have already increased, and are still rapidly increasing. For the months of October and November in 1858, the receipts from customs at the single port of New York have exceeded those for the same month during the year 1857, by nearly two million dollars. Will not these receipts still continue to increase, and may we not calculate that when the effects of the revulsion have passed quite away, the present tariff will yield an abundance of revenue to meet all the necessary expenditures of the Government?

If, however, we should be mistaken in all this, we have still the alternative presented of reducing the expenditures. I am pleased that the Secretary has thus presented it. I am gratified that the responsibility is placed on Congress. On all sides, we have the cry of retrenchment and reform. The appropriation bills are before the House; and we, who are ever ready to cry "reform," will have an opportunity of testing our sincerity. The expenditures of the Government have increased year after year, until they now reach the large sum of over seventy-two million dollars. This increase, to a very considerable extent, is owing to the rapid expansion of our country, and to the unusual and extraordinary demands upon the Treasury for the last two years.

But, sir, after allowing all due credits on account of the expansion of our country, still there is room enough for retrenchment and reform, and to such an extent as, with the increased duties of the tariff, will not only meet all the demands of the Government, but leave us in the Treasury an amount sufficient to meet all contingencies which may arise. At a time like this, when our expenses are exceeding the revenues, there are many outlays of money which should be cut off, that at another time, when the Treasury is full, might be altogether proper. Nor, sir, should we overlook small matters. I know there are some gentlemen who are disposed to sneer at, and treat as unworthy a statesman of liberal and enlarged views, a reform or a reduction which is small within itself. But, sir, the ocean is made up of drops; a century, of moments; and I doubt not that, even in small matters, we might make such a reduction in all the varied and multiplied objects of expenditure, as in the end would amount to millions of dollars. Besides, I must confess, that I have no sympathy with such statesmen as would disregard and overlook an abuse and waste of the public money because it was small. We are the sworn agents of the people, and have no authority, legal or moral, to expend one dollar—no, sir, not even one dollar more than is necessary.

Let me not be misunderstood. I would not so retrench as to injure in any degree the public service; on the contrary, I am willing and will, vote to make liberal appropriations to every branch of the service, and for any necessary purpose of the Government. I agree with the President that it is not always true economy to withhold supplies; but we should discriminate properly as to the objects, and apply the money sacredly to such as are necessary and legitimate. Economy, a rigid system of economy, in the expenditures of the Government, I have ever regarded as one of the highest and most important duties of a Representative. It is essential to our prosperity as a nation. It inspires the people with confidence in the Federal Union, and is a guarantee against corruption, waste, and oppressive taxation. On the other hand, reckless extravagance and a useless waste of the public money has a corrupting and demoralizing tendency. It increases Executive patronage; gives to the national Legislature undue power and influence; tends to consolidation; weakens the confidence of the people and the bonds which hold together the Union; and, if suffered to go unchecked, will most assuredly work out the destruction of the Republic. It was not the Goths and Vandals that destroyed Rome; nor was it the man of Macedonia who overthrew the institutions of Greece. They but completed what had been already begun at home, by their extravagance, their corruptions, and their dissensions. He who wasted most of the public money in corrupting the people, became the chief man in the republic. Public virtue was corrupted, and existed only in name. Public faith was wholly disregarded. "Romans betrayed Rome; the legions were bought and sold; and this great republic, thus weakened, thus prostituted, became an easy prey to the destroyer." Let us, sir, learn lessons of wisdom from the past. Let us take warning from their example, and avoid the rock upon which they split, or expect to meet their fate.

Mr. Chairman, I solemnly aver, here in my place to-day, that, if this Union is to be destroyed; if the members are to be unnaturally and ruthlessly torn from the body; if anarchy and confusion are to take the place of law and order; liberty to be supplanted by oppression and tyranny, and this great Republic, greater than Greece or Rome, is to become what Rome now is, it will be our own doing. And history will record the charge to our infamy that, "thou, even thou, hast destroyed thyself." And I with equal solemnity declare that, in my opinion, in this as well as all other republican Governments, one of the greatest dangers to be guarded against is the corruption which, springing up in the very heart of the Government, dif-

fuse itself like a deadly poison through all the members and arteries of the Government, until the whole body politic is diseased.

I know, sir, this is attaching great importance to the subject of our expenditures, but not greater than what is due, or greater than the truth of history will justify. Permit me to call the attention of the House to an extract from one of Mr. Jefferson's messages, in reference to economy. It breathes the spirit of purity and patriotism, and will apply to us with equal, if not greater, force and propriety:

"Considering the general tendency to multiply offices and dependencies, to increase expenses to the ultimate term of burden which the citizen can bear, it behooves us to avail ourselves of every occasion which presents itself for taking off the surcharge, that it may never be seen here, that after leaving to labor the smallest portion of its earnings on which it can subsist, Government shall itself consume the residue of what it was intended to guard."

If there was this tendency to extravagance during Mr. Jefferson's administration—the purest and brightest period of our history—which called forth from him such earnest remonstrance and such unceasing vigilance, how much more are we called upon at the present time, when the expenditures are greatly increased, and the opportunities for extravagance have greatly multiplied, to watch with sleepless vigilance the Treasury, to investigate well the appropriations, and lop off every dollar which can be shown to be unnecessary? I have been much gratified, sir, to know that the President is with us in this reform. He is a statesman of the Jeffersonian school, and of large experience. He has grown up with the Republic, whose age scarcely exceeds his own; and, in showing his appreciation of the subject, has not only invited us to a rigid scrutiny into all the Departments, but promised us his best aid. Let us hear him. After exhorting Congress to the practice of the most rigid economy, he says:

"The objects of expenditure should be limited in number, as far as this may be practicable; and the appropriations necessary to carry them into effect ought to be disbursed under the strictest accountability."

Again, sir, he says:

"I invite Congress to institute a rigid scrutiny to ascertain whether the expenses in all the Departments cannot be still further reduced; and I promise them all the aid in my power in pursuing the investigation."

Then, sir, with the President with us, with the cry on every side that there must be retrenchment, shall we not commence the work, and rid the Government of many abuses which have been for years growing up, and which can only live by the sanction of Congress?

But, sir, it will be asked, where we shall commence? What shall we cut down? I answer, commence with those appropriations for which Congress is alone responsible; those large and extraordinary demands upon the Treasury which have robbed it of its substance, and added so much to make up the large amount of the public expenditures. Enter, with a bold and fearless step, the wide and undefined boundary of your contingent fund, which of late years has increased so much; explore the almost boundless field of appropriations for claims, where so many greedy, hungry, and fraudulent claimants and their agents find pasture, and roll in the riches which negligence and extravagance on your part have thrown in a reckless profusion around them. Look to your printing; your exploring expeditions; your coast surveys; your employés and their salaries; your French spoliation bill, involving an appropriation of millions of dollars; the homestead bill; and lastly, by way of testing our sincerity, our franking privilege, our mileage, and our salaries. Let us investigate all these. Let us prune with an unsparing hand; and when we get through we will exhibit to the public an important work of reformation, and a saving to the Government of millions of dollars. After this, we will then enter the Departments, and where ever there is an abuse, lop it off. Wherever there is a dollar unnecessarily spent, save it to the Treasury. Much can be done, even here; but I cannot go so much into detail. We have our committees, who are better posted up on these subjects; they will aid us in making such reforms as will not injure the public service.

The receipts from the present tariff, during the next fiscal year, will amount, according to the estimates of the Treasurer, to about fifty-six million dollars; which, together with the receipts from public lands and miscellaneous sources, will make the sum of $61,000,000. This ought to be sufficient, and, if properly and economically used, will be sufficient for all the purposes of the Government.

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